

**STATE AGRICULTURE DEVELOPMENT COMMITTEE**  
**May 26, 2011**

**Summary of Changes to the SADC Appraisal Handbook – 2011**

**1. Page 3: Overview**

**Statement Removed:** In November 2007, voters approved the Green Acres, Farmland, Blue Acres and Historic Preservation Bond Act of 2007. A total of \$73,000,000 is authorized for farmland preservation purposes. The Garden State Preservation Trust Act and the Green Acres, Farmland, Blue Acres and Historic Preservation Bond Act of 2007 authorize the moneys appropriated from the Funds to the SADC to

**Replace with: Statement Added**

In November 2009, voters approved the Green Acres Water Supply and Flood Plain Protection, Farmland and Historic Preservation Bond Act of 2009. A total of \$146,000,000 is anticipated for farmland preservation purposes. The SADC is currently taking applications in anticipation of the authorization of these funds to:

**Reason: Provide current information of the status of Funding.**

**2. Page 5: SADC Appraisal Policy**

**Statement Added:** Appraisals submitted to the SADC must not have a date of value greater than 12 months prior to the date of submission to the SADC unless exempted under N.J.A.C. 2:76-17.11, rule for pre acquisition.

**Reason: To insure a current and relevant valuation of the subject property.**

**3. Page 9: Zoning Valuation**

**Statement Amended:** Garden State Preservation Trust Act, N.J.S.A. 13:8C-38j as amended by P.L 2010, C.70 effective September 9, 2010. Commencing on the date of enactment of the Highlands Water Protection and Planning Act (August 10, 2004), and through June 30, 2014, for lands located in the Highlands Region only, when the committee, a local government unit, or a qualifying tax exempt nonprofit organization seeks to acquire a development easement on farmland or the fee simple title to farmland for farmland preservation purposes using constitutionally dedicated moneys in whole or in part, it shall conduct or cause to be conducted an appraisal or appraisals of the value of the lands that shall be made using (a) the land use zoning of the lands, and any State environmental laws or Department of Environmental Protection rules and regulations that may affect the value of the lands, subject to the appraisal and in

effect at the time of proposed acquisition, and ( b ) the land use zoning of the lands, and any State environmental laws or Department of Environmental Protection rules and regulations that may affect the value of the lands subject to the appraisal and in effect on January 1, 2004. The higher of those two values shall be utilized by the committee, a local government unit or a qualifying tax-exempt nonprofit organization as the basis for negotiation with the land- owner with respect to the acquisition price for the lands. The landowner shall be provided with both values determined pursuant to this paragraph.

**Reason:** To recognize the statutory amendment requiring the appraising of the hypothetical condition of zoning and state environmental regulations conditions in place as of Jan. 1, 2004 on a statewide basis to limiting this valuation to only the Highlands Region.

**4. Page 10: Zoning Information** – Removed – procedures for the April 2, 2009 interpretation of the sunset of the alternative appraisal valuation.

**5. Page 20: Appraisal Format:**

**a. Letter of Transmittal**

**Changed from:** Should contain the estimated value per acre and the total value

**To:** Must contain the estimated value per acre and the total value, the rights appraised, any special instructions to the appraiser and all clients and intended users of the appraisal.

**Reason: Provided for Informational Purposes**

**b. Page 18: Added - Hypothetical Conditions and Extraordinary Assumptions:**

**Hypothetical Conditions and Extraordinary Assumptions:** All hypothetical conditions must come from the client in written form with authorized signature and should identify any special instructions to the appraiser not consistent with the “as is” condition of the property being appraised. Appraisals of the property under zoning and state environmental regulations in place as of January 1, 2004 and the subject as deed restricted are considered to be hypothetical conditions. Extraordinary Assumptions may be used only when reasonable and necessary for completion of the assignment.

**Reason: To provide a clear and defined paragraph to identify these conditions**

**c. Page 19: Estate Appraised: Statement Added** - All appraisals are of surface rights only.

**Reason:** Clarifies that the appraisal does not include an analysis of air, subsurface or mineral rights.

**d. Page 20: Zoning and Assessment Information: Statement Added** – copy of the zoning ordinance(s) of the subject property.

**Reason:** Requires the Appraiser to include an actual copy of the relevant zoning ordinance(s) of the subject property.

**e. Comparable Sale Data Sheets: Added letter ( p.) – Statement** - Zoning – include brief description of permitted principal uses and bulk area requirements.

**Reason:** Identify the comparable sale zoning and requirements for reviewer comparison to the subject.

**54. Page 35 - Appraisal Order Checklist: Attached**

**Reason:** Attempts to clarify Acreage to be valued, residential units permitted in exceptions and house size limitations, Pinelands and TDR requirements. Also explains the current condition of the extension of the Highlands provision for appraisals of lands under the hypothetical condition of zoning and state environmental regulations in place as of January 1, 2004 only for properties in the Highlands region until June 30, 2014.